United Nations A/56/721

General Assembly

Distr.: General
20 December 2001

Original: English

Fifty-sixth session
Agenda item 150
Financing of the United Nations Observer Mission in Georgia

Financial performance report of the United Nations Observer Mission in Georgia

Report of the Secretary-General

Summary

The present report contains the financial performance report of the United Nations Observer Mission in Georgia for the period from 1 July 2000 to 30 June 2001. The General Assembly, by its resolution 54/271 of 15 June 2000, appropriated an amount of $30,048,197 gross ($28,295,699 net) for the same period.

Expenditures for the period totalled $26,001,000 gross ($24,249,000 net), resulting in an unencumbered balance of $4,047,197 gross ($4,046,699 net).

The unencumbered balance resulted mainly from military personnel, civilian personnel and operational requirements.

The actions to be taken by the General Assembly in connection with the financing of the Mission are set out in paragraph 16 of the present report.

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I. Introduction

1. The United Nations Observer Mission in Georgia (UNOMIG) was established by the Security Council in its resolution 858 (1993) of 24 August 1993. The Mission's mandate has been extended by subsequent Security Council resolutions, the most recent of which was 1364 (2001) of 31 July 2001, by which the Council extended the mandate for a new period terminating on 31 January 2002.

2. The budget for the maintenance of UNOMIG for the period from 1 July 2000 to 30 June 2001 amounted to $28,399,800 gross ($26,891,100 net) (see A/54/735). It provided for the maintenance of up to 135 military observers, 89 international staff and 148 locally recruited staff. The Advisory Committee on Administrative and Budgetary Questions recommended that the General Assembly appropriate $28,399,800 gross ($26,891,100 net) for the period from 1 July 2000 to 30 June 2001 (A/54/841/Add.5, para. 18).

3. The General Assembly, by its resolution 54/271 of 15 June 2000, appropriated an amount of $30,048,197 gross ($28,295,699 net) for the maintenance of UNOMIG for the period from 1 July 2000 to 30 June 2001, inclusive of $1,425,532 gross ($1,206,299 net) for the support account for peacekeeping operations and $222,865 gross ($198,300 net) for the United Nations Logistics Base at Brindisi, Italy. This amount has been assessed on Member States.

II. Implementation of the budget

4. Information on the operations of UNOMIG and on the situation on the ground during the period under review is contained in the reports of the Secretary General to the Security Council dated 17 July 2000 (S/2000/697), 25 October 2000 (S/2000/1023), 18 January 2001 (S/2001/59) and 24 April 2001 (S/2001/401).

5. During the reporting period, the Mission continued to operate in an insecure environment. The security situation in the conflict zone ranged from calm but unstable at the beginning of the fiscal year to mostly calm but very volatile in January 2001. This was followed by an escalation in violent activities in April and May 2001. The prevailing conditions continued to cause serious concerns about the security and safety of personnel. Consequently, new security measures were implemented, including additional temporary security staff, reinforcement of fences and entrance gates at some locations, the installation of closed-circuit television units at Zugdidi and improved residential security to enable staff to safeguard lives and property. Taxi service was also contracted due to the imposition of curfew hours which resulted in restricted movement of United Nations vehicles outside the Zugdidi logistics base. It should be noted that, as a result, expenditures incurred by the Mission in connection with the safety and security of personnel for the period under review amounted to $381,536 for the items listed in table 1 below:

Table 1
Expenditures for staff security
(Thousands of United States dollars)

Item	*Expenditure*
International security personnel	224.2
Local security personnel	12.5
Alterations and renovations to premises	3.9
Air operations	9.6
Other equipment	47.6
Supplies and services	83.7
Total	**381.5**

6. Furthermore, since there was no improvement in the security situation in contrast to the prior period, it was once again decided not to deploy fully the authorized strength of 135 military observers. The average monthly deployment was 102, resulting in savings of $1,161,400.

7. There were also violations by both parties to the Agreement on a Ceasefire and Separation of Forces, signed in Moscow on 14 May 1994. These violations had a negative impact on the peace process and resulted in restrictions on the movement of UNOMIG personnel, thereby limiting the Mission's ability to perform its mandated tasks fully.

8. The budgeted resources for international civilian personnel were based on a vacancy rate of 10 per cent and provided for 32 per cent of the Professional and Field Service staff as mission appointees. Despite the fact that the actual vacancy rate was 2 per cent, savings were realized as approximately 65 per cent of the staff were mission appointees.

9. Although the Engineering Section contributed significantly to ensuring greater mobility for the Mission in its patrolling and monitoring activities by improving the condition of vital roads and bridges, the deterioration in the security situation and the ongoing lack of reliable contractors prevented the execution of some infrastructure repair activities. For the same reasons, the planned opening of the team bases and renovation of additional office space at Sukhumi were not achieved. Under the circumstances, a decision was made to construct a "container complex" at somewhat higher costs than budgeted to meet the requirements for office space. This was partially covered by savings accruing from lower actual rental costs. The savings on rent resulted from cancellation of plans to relocate the Gali offices, lower actual occupancy of staff accommodations in Sukhumi, the continued closure of the team bases and non-use of three repeater sites.

10. The Mission incurred additional expenditures for its energy supply owing to the limited capacity and unreliability of the local electricity supply. This led to increased reliance on the use of generators and greater consumption of fuel, which increased in price during the period.

11. Due to the receipt of ballistic-protective and other vehicles, the inventory of newer vehicles increased, thereby reducing the requirement for spare parts, repairs and maintenance.

12. The actual number of hours flown by both the fixed-wing aircraft and the helicopters were fewer than budgeted due to prevailing conditions. The savings which accrued as a result were partially offset by the increased cost of fuel and changes in contractual arrangements.

13. Economy measures implemented by the Mission included the negotiation of favourable prices for communications equipment and the purchase of furniture at lower prices in Russia instead of from other international suppliers in Europe as envisaged. Successful negotiations also resulted in the maintenance of rent at previous levels for some premises and plots for repeater sites.

III. Financial performance report for the period from 1 July 2000 to 30 June 2001

14. As indicated in table 2, an amount of $30,048,197 gross ($28,295,699 net) was appropriated for the maintenance of UNOMIG for the period from 1 July 2000 to 30 June 2001. The related expenditures amounted to $26,001,000 gross ($24,249,000 net), inclusive of $4,363,600 in unliquidated obligations. The unencumbered balance of $4,047,197 gross ($4,046,699 net) represents, in gross terms, 13.4 per cent of the amount appropriated. Annex I to the present report contains the financial performance information for the reporting period by budget line item. Supplementary information on significant variances is presented in annex II. Annex IV contains a chart showing apportionment and expenditure by main budget groups.

Table 2
Apportionment and expenditure
(Thousands of United States dollars)

Category of expenditure	*Apportionment*	*Expenditure*[a]	*Variance*
Military personnel	4 863.2	3 701.8	1 161.4
Civilian personnel	12 785.4	10 770.0	2 015.4
Operational requirements	9 169.5	8 285.7	883.8
Other programmes[b]	73.0	86.9	(13.9)
United Nations Logistics Base at Brindisi	198.3	198.3	-
Support account for peacekeeping operations	1 206.3	1 206.3	-
Staff assessment	1 752.5	1 752.0	0.5
Gross requirements	**30 048.2**	**26 001.0**	**4 047.2**
Income from staff assessment	(1 752.5)	(1 752.0)	(0.5)
Net requirements	**28 295.7**	**24 249.0**	**4 046.7**
Voluntary contributions in kind (budgeted)	-	-	-

Category of expenditure	*Apportionment*	*Expenditure*[a]	*Variance*
Voluntary contributions in kind (non-budgeted)	-	-	-
Total resources	**30 048.2**	**26 001.0**	**4 047.2**

[a] Includes an amount of $4,363,600 in unliquidated obligations.
[b] Excluding personnel.

15. Information on the deployment of military observers and civilian personnel during the reporting period is provided in table 3 and annex III.

Table 3
Authorized staffing, incumbency and vacancy rates for military and civilian personnel for the period from 1 July 2000 to 30 June 2001

Personnel category	*Authorized strength*	*Actual strength (average)*	*Vacancy rate (percentage)*
Military observers	135	102	25
International staff	89	87	2
Local staff	148	148	0

IV. Actions to be taken by the General Assembly at its fifty-sixth session

16. **The actions to be taken by the General Assembly in connection with the financing of the United Nations Observer Mission in Georgia are as follows:**

(a) **To decide on the treatment of the unencumbered balance of $4,047,197 gross ($4,046,699 net) for the period from 1 July 2000 to 30 June 2001;**

(b) **To decide on the treatment of other income for the period from 1 July 2000 to 30 June 2001 amounting to $1,719,000 from interest income ($430,000), other/miscellaneous income ($119,000) and savings on or cancellation of prior period obligations ($1,170,000).**

Annex I

Financial performance report for the period from 1 July 2000 to 30 June 2001: summary statement

(Thousands of United States dollars)

Category of expenditure	*(1)* *Apportionment*[a]	*(2)* *Non-recurrent expenditures*	*(3)* *Total expenditures (inclusive of non-recurrent expenditures)*	*(4) = (1 - 3)* *Variance*
I. Military personnel				
1. Military observers	4 770.1	-	3 608.7	1 161.4
2. Military contingents	-	-	-	-
3. Other requirements pertaining to military personnel				
(a) Contingent-owned equipment	53.1	-	53.1	-
(b) Self-sustainment	-	-	-	-
(c) Death and disability compensation	40.0	-	40.0	-
Subtotal, line 3	**93.1**	**-**	**93.1**	**-**
Total, category I	**4 863.2**	**-**	**3 701.8**	**1 161.4**
II. Civilian personnel				
1. Civilian police	-	-	-	-
2. International and local staff	12 785.4	-	10 770.0	2 015.4
3. United Nations Volunteers	-	-	-	-
4. Government-provided personnel	-	-	-	-
5. Civilian electoral observers	-	-	-	-
Total, category II	**12 785.4**	**-**	**10 770.0**	**2 015.4**
III. Operational requirements				
1. Premises/accommodations	1 072.5	573.8	1 154.8	(82.3)
2. Infrastructure repairs	200.0	123.8	123.8	76.2
3. Transport operations	3 398.4	2 020.5	2 665.0	733.4
4. Air operations	2 437.7	-	2 356.6	81.1
5. Naval operations	-	-	-	-
6. Communications	771.1	221.9	685.9	85.2
7. Other equipment	482.7	474.9	538.0	(55.3)
8. Supplies and services	577.1	-	560.7	16.4
9. Air and surface freight				
(a) Transport of contingent-owned equipment	-	-	-	-
(b) Commercial freight and cartage	230.0	-	200.9	29.1
Subtotal, line 9	**230.0**	**-**	**200.9**	**29.1**
Total, category III	**9 169.5**	**3 414.8**	**8 285.7**	**883.8**

	Category of expenditure	(1) Apportionment[a]	(2) Non-recurrent expenditures	(3) Total expenditures (inclusive of non-recurrent expenditures)	(4) = (1 - 3) Variance
IV.	**Other programmes**				
	1. Election-related supplies and services	-	-	-	-
	2. Public information programmes	20.0	-	14.5	5.5
	3. Training programmes	53.0	-	72.4	(19.4)
	4. Mine-clearing programmes	-	-	-	-
	5. Assistance for disarmament and demobilization	-	-	-	-
	Total, category IV	**73.0**	**-**	**86.9**	**(13.9)**
V.	**United Nations Logistics Base at Brindisi**	**198.3**	**-**	**198.3**	**-**
VI.	**Support account for peacekeeping operations**	**1 206.3**	**-**	**1 206.3**	**-**
VII.	**Staff assessment**	**1 752.5**	**-**	**1 752.0**	**0.5**
	Gross requirements, categories I-VII	30 048.2	3 414.8	26 001.0	4 047.2
VIII.	**Income from staff assessment**	**(1 752.5)**	**-**	**(1 752.0)**	**(0.5)**
	Net requirements, categories I-VIII	28 295.7	3 414.8	24 249.0	4 046.7
IX.	**Voluntary contributions in kind (budgeted)**	-	-	-	-
X.	**Voluntary contributions in kind (non-budgeted)**	-	-	-	-
	Total	**30 048.2**	**3 414.8**	**26 001.0**	**4 047.2**
XI.	**Other income/adjustments**				
	Interest income				430.0
	Other/miscellaneous income				119.0
	Voluntary contributions in cash				-
	Prior period adjustments				-
	Savings on or cancellation of prior period obligations				1 170.0
	Total, category XI				**1 719.0**

[a] Based on appropriation provided by General Assembly resolution 54/271.

Annex II

Supplementary information on significant variances

Military personnel

Apportionment: $4,863,200; expenditure: $3,701,800; variance: $1,161,400

1. The unutilized balance of $1,161,400 under this heading was attributable to lower actual requirements for military observers.

Military observers

Apportionment: $4,770,100; expenditure: $3,608,700; variance: $1,161,400

2. The unutilized balance of $1,161,400 under this heading resulted primarily from deployment of military observers at a lower strength than budgeted. Owing to the deterioration in the security situation and the fact that movement was often restricted, patrolling activities did not warrant deployment of the authorized complement of 135 military observers. The average monthly deployment for the period was 102 military observers, resulting in lower actual costs.

Civilian personnel

Apportionment: $12,785,400; expenditure: $10,770,000; variance: $2,015,400

3. The unutilized balance under this heading accrued primarily from lower requirements for international staff salaries and common staff cost. This resulted from the engagement of a higher percentage of the staff as mission appointees. While provision had been made on the assumption that only 32 per cent of the staff would be mission appointees, the actual rate was 65 per cent.

4. Immediate replacements were hired for eight local staff who were deployed to other operations as follows:

Deployed to:	*Number of staff*
United Nations Mission in Ethiopia and Eritrea (UNMEE)	2
United Nations Transitional Administration in East Timor (UNTAET)	3
United Nations Organization Mission in the Democratic Republic of the Congo (MONUC)	1
United Nations Office of the Humanitarian Coordinator in Iraq (UNOCHI)	2
Total	**8**

Operational requirements

Apportionment: $9,169,500; expenditure: $8,285,700; variance: $883,800

5. The unutilized balance under this heading was due primarily to lower requirements, totalling $1,021,400, for infrastructure repairs ($76,200), transport operations ($733,400), air operations ($81,100), communications ($85,200), miscellaneous supplies and services ($16,400) and air and surface freight ($29,100). This unutilized balance was offset by additional requirements totalling $137,600 for premises ($82,300) and other equipment ($55,300).

Infrastructure repairs

Apportionment: $200,000; expenditure: $123,800; variance: $76,200

6. The unutilized balance was due primarily to the postponement of a number of planned projects owing to the unstable security situation and difficulties in identifying suitable contractors locally. Instead, a number of smaller scale projects to repair roads and bridges were undertaken. These yielded immediate improvements in operational traffic and the security and safety of personnel.

Transport operations

Apportionment: $3,398,400; expenditure: $2,665,000; variance: $733,400

7. The unutilized balance under this heading resulted primarily from the acquisition of vehicles at lower cost than budgeted and non-procurement of one ambulance, as well as from lower actual requirements for spare parts, repairs and maintenance owing to a higher inventory of new vehicles. The cancellation of the requirement for fleet management data recording systems and changes in the other items contributed to lower actual costs for workshop equipment. Furthermore, there was a decrease in the rates for the Commonwealth of Independent States for vehicle insurance from $200 to $154 per unit for civilian vehicles and from $350 to $270 for military pattern vehicles.

Communications

Apportionment: $771,100; expenditure: $685,900; variance: $85,200

8. The unutilized balance is due mainly to lower actual costs for some items of equipment and for commercial communications.

Other equipment

Apportionment: $482,700; expenditure: $538,000; variance: ($55,300)

9. The additional requirements under this heading related mainly to electronic data processing networking equipment for the Local Area and Wide Area networks. Reimbursement was also made to the United Nations Transitional Administration in East Timor for a generator diverted to UNOMIG on an emergency basis to meet the demand for back-up power. As a result of ongoing concerns for the safety and security of personnel, additional equipment, including smoke detectors, fire

extinguishers, security cameras, security investigation equipment and emergency lights, were purchased.

Air and surface freight

Apportionment: $230,000; expenditure: $200,900; variance: $29,100

10. The unutilized balance resulted from the receipt of fewer consignments than anticipated.

Other programmes

Apportionment: $73,000; expenditure: $86,900; variance: ($13,900)

11. The additional requirements under this heading related to an increase in the scope of training programmes ($19,400). This increase was partially offset by lower actual requirements under public information programmes ($5,500).

Public information programmes

Apportionment: $20,000; expenditure: $14,500; variance: $5,500

12. The requirements under this heading were limited to the services of two media analysts to conduct research on political developments in the country and to the purchase of materials and supplies, resulting in lower costs than budgeted.

Training programmes

Apportionment: $53,000; expenditure: $72,400; variance: ($19,400)

13. The additional requirements under this heading were due to changes in the number and cost of the courses planned. A total of 12 different courses were offered involving 18 participants. Of these, seven courses were held at the United Nations Logistics Base at Brindisi, Italy, two at Vienna, two in Greece and one at Geneva. An amount of $7,133 relating to training courses for the prior period is included in the total expenditure. Training courses in communications and information technology upgraded and refined the skills of the staff involved, which in turn enabled the staff to upgrade various networks within UNOMIG. Some weaknesses addressed by the training courses related to air safety and accident investigations. Despite basic skills and good backgrounds in these areas, the staff needed training in order to keep abreast of technological advances. In this connection, the training undertaken in air operations, air safety, air traffic control, transportation of dangerous goods and accident investigations was particularly helpful.

Training programmes carried out during the period from 1 July 2000 to 30 June 2001

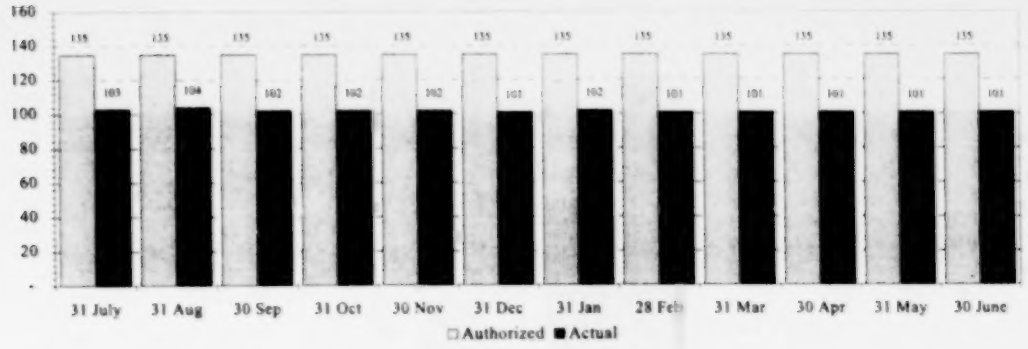
Description of training	*Expenditure (United States dollars)*	*Number of persons trained*	*Venue*
REALITY system training	7 186	3	UNLB[a]
CISCO systems course/ISDN/MD-110 training	14 510	2	UNLB[a]
IMMERSON training	9 583	1	UNLB[a]
Management workshop for Chief Procurement Officers	3 524	1	Greece
Handling of dangerous goods	7 926	2	Greece
Flight operations management training course	3 569	1	Geneva
Information technology planning meeting and management workshop	830	1	UNLB[a]
CISCO voice-over frame relay	1 955	1	UNLB[a]
Driving of VIPs	5 858	2	Vienna
Communications technical training course	4 116	1	UNLB[a]
Security management training	1 196	1	Vienna
Nissan and Toyota technical courses	4 974	2	UNLB[a]
Outstanding payment for 1999/2000 courses	7 133		
Total	**72 360**		

[a] United Nations Logistics Base at Brindisi, Italy.

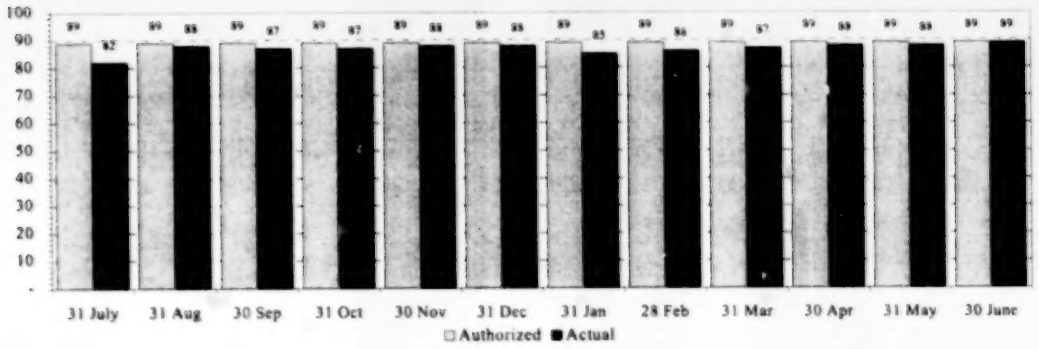
Annex III

Planned and actual deployment of military and civilian personnel for the period from 1 July 2000 to 30 June 2001

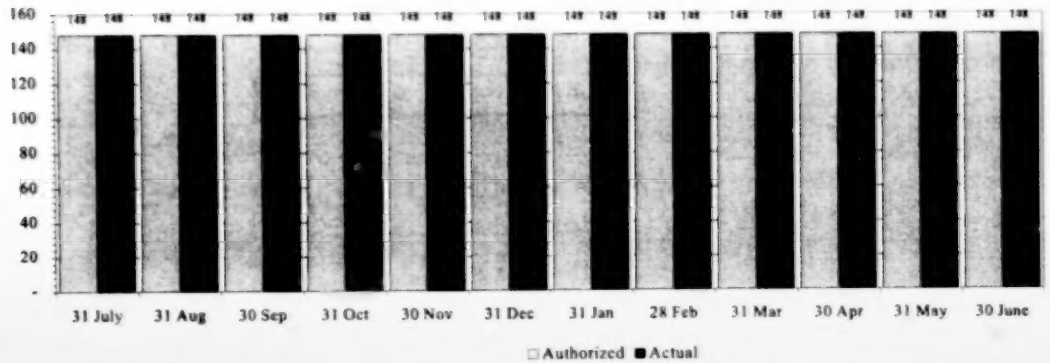
1. Military observers



2. International staff



3. Local staff



Annex IV

Apportionment and expenditure for the period from 1 July 2000 to 30 June 2001